

March 9, 2010

William Bean  
President & CEO  
**QEII FOUNDATION**  
1796 Summer Street,  
Halifax Infirmary, Room 1128  
Halifax, NS  
B3H 3A7.

Dear Bill:

**Re: Independent Assessment of Spring 2010 QEII Lifestyles Lottery Probabilities**

I have been engaged by the QEII Foundation to provide an independent actuarial assessment of the probability of a ticket winning a prize in the **Spring 2010 QEII Lifestyles Lottery (the "Lottery")** as advertised by the QEII Foundation.

I understand the following to be the key parameters of the Lottery as provided to me by the QEII Foundation:

- A maximum of 58,500 tickets will be sold;
- 6,170 tickets will be drawn for prizes; and
- Once a ticket has been drawn to win a prize, it is returned to the pool and has a chance to win in subsequent draws (a system of drawing known as "drawing with replacement").

**Based on the above parameters and assuming all 58,500 tickets are sold, I have determined the probability of a ticket winning a prize to be 1 in 10.** This is consistent with the odds communicated in the marketing campaign materials that I have reviewed or am aware of.

The methodology I employed for my calculation was to first determine the probability of a ticket losing on each and every one of the 6,170 prize draws. This probability of not winning a prize was calculated to be 90%. Accordingly, the probability of a ticket winning one (or more) prizes is 10%, or 1 in 10.

I note that complete details of my calculation have been provided directly to the QEII Foundation. Further, I advise that my calculations have been peer reviewed by another fully qualified member of my actuarial profession.

Yours truly,



Derek M. Gerard,  
Fellow of the Society of Actuaries  
Fellow of the Canadian Institute of Actuaries